

COMMONWEALTH OF VIRGINIA
GAS AND OIL BOARD
Minutes March 16, 2010

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held their regular monthly hearing commencing at 9 a.m. on Tuesday, March 16, 2010, at the Conference Center, Russell County Office Building, Highland Drive, Lebanon, Virginia.

Present were Bradley Lambert, Chairman, Katie Dye, Public Member, Peggy Barber, Public Member, Donnie Ratliff, Coal Representative, Bill Harris, Public Member, Sharon N. B. Pigeon, Sr. Assistant Attorney General, David Asbury, Staff to the Board and Diane Davis, Division of Gas and Oil.

1. The Board will receive public comments. [Comments were received from Ronnie Osborne, Katherine Jewell and Peter Glubiak.](#)
2. A petition from EQT Production Company for disbursement of funds and authorization of direct payment on a portion of Tract 2, Unit VC-702966, Kenady District, Dickenson County, Virginia. Docket Number VGOB-94-0816-0467-01. Continued from January 2010. [At the request of the applicant the petition was continued to May.](#)
3. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tracts 1 and 4, Unit DD-28, Buchanan County, Virginia. Docket Number VGOB-01-0918-0921-01. Continued from February 2010. [The petition was approved by the Board for disbursement.](#)
4. A petition from EQT Production Company for pooling of coalbed methane unit VC-536451, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-10-0316-2678. [The petition was approved by the Board.](#)
5. A petition from EQT Production Company for pooling of coalbed methane unit VCI-531472, Prater District, Buchanan County, Virginia. Docket Number VGOB-10-0316-2679. [The petition was approved by the Board with escrowing required.](#)
6. A petition from EQT Production Company for pooling of coalbed methane unit VC-536201, New Garden District, Russell County, Virginia. Docket Number VGOB-10-0316-2680. [The petition was approved by the Board with escrowing required.](#)
7. A petition from EQT Production Company for pooling of coalbed methane unit VCI-539487, Prater District, Buchanan County, Virginia. Docket Number VGOB-10-0316-2681. [The petition was approved by the Board with escrowing required.](#)
8. A petition from EQT Production Company for pooling of coalbed methane unit VC-504646, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-10-0316-2682. [The petition was approved by the Board with escrowing required.](#)
9. A petition from EQT Production Company for modification of the Nora Coalbed Gas Field to allow for an additional well to be drilled in units BN87, BN88, BN90, BN91,

- BO87, BO89, BO90 and BO91. Docket Number VGOB-089-0126-0009-62. [The petition was approved by the Board.](#)
10. A petition from EQT Production Company for disbursement of fund from escrow and authorization for direct payment of royalties for Tract 1, Unit VC-536825, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-01/16-1862-01. [The disbursement was approved by the Board.](#)
 11. The Board on its own motion will reconsider EQT Horizontal Provisional Unit VH-539991 and Statutory requirements for royalty payments. Docket Number VGOB-08-0819-2301. [The petition was continued to the May 2010 hearing.](#)
 12. A petition from Range Resources-Pine Mountain Inc. for the establishment of a provisional drilling unit (RR 2683) consisting of 320 acres for the drilling of horizontal conventional gas wells, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-10-0316-2683. [The petition was approved by the Board.](#)
 13. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for Tracts 2B, 2C and 4G, Unit V36, Buchanan County, Virginia. Docket Number VGOB-98-0324-0638-03. [The Board approved the disbursement for Tract 2B but not for Tracts 2C and 4G.](#)
 14. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tract 1B, Unit U-36, Buchanan County, Virginia. Docket Number VGOB-98-0421-0648-03. [The disbursement was approved by the Board..](#)
 15. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tract 1A, Unit T-37 Buchanan County, Virginia. Docket Number VGOB-98-0421-0650-04. [The disbursement was approved by the Board.](#)
 16. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tracts 2A, 2B, 3B & 3C (combined), Unit T-36, Buchanan County, Virginia. Docket Number VGOB-98-0324-0625-07. [The disbursement was approved by the Board.](#)
 17. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tracts 3 and 4, Unit S-36, Buchanan County, Virginia. Docket Number VGOB-98-0324-0626-06. [The disbursement was approved by the Board.](#)
 18. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tracts 2 and 3, Unit S-35, Buchanan County, Virginia. Docket Number VGOB-01-98-0915-0681-04. [The disbursement was approved by the Board.](#)
 19. A petition from CNX Gas Company, LLC for disbursement of funds from escrow and authorization for direct payment of royalties for Tracts 3A, 3B, 3C and 3E, Unit V-37,

- Buchanan County, Virginia. Docket Number VGOB-98-0324-0639-01. [The disbursement for 3B, 3C and 3E was approved by the Board. Tract 3A will not be disbursed.](#)
20. A petition from CNX Gas Company LLC for disbursement of funds from escrow and authorization for direct payment of royalties for a portion of Tract 2, Unit T-35, Buchanan County, Virginia. Docket number VGOB-98-0421-0695-03. [The disbursement was approved by the Board.](#)
 21. A petition from CNX Gas Company, LLC for pooling of coalbed methane unit W-83, South Grundy/Prater Districts, Buchanan County, Virginia. Docket Number VGOB-10-0316-2684. [The petition was approved by the Board with no escrowing required.](#)
 22. A petition from CNX Gas Company, LLC for creation of 313 acre provisional horizontal drilling unit SSS28SH, North Grundy/Knox Districts, Buchanan County, Virginia. Docket Number VGOB-10-0316-2685. [The petition was approved by the Board.](#)
 23. A petition from CNX Gas Company, LLC for modification of the Oakwood I Field Rules to allow for an additional well to be drilled in units WWW21, XXX21, Buchanan County, Virginia. Docket Number VGOB-93-0216-0325-21. [The petition was approved by the Board.](#)
 24. A petition from CNX Gas Company, LLC for modification of the Middle Ridge Field Rules to allow for an additional well to be drilled in units AW141, AW142, AW145, AX134, AZ134, AZ140, AZ141, Tazewell County, Virginia. Docket Number VGOB-00-1017-0835-07. [The petition was approved by the Board.](#)
 25. A petition from CNX Gas Company, LLC for re-pooling of coalbed unit P-41, Garden District, Buchanan County, Virginia. Docket Number VGOB-93-0216-0329-02. [The petition was continued to April 2010.](#)
 26. A petition from CNX Gas Company, LLC for re-pooling of coalbed unit Q-41, Garden District, Buchanan County, Virginia. Docket Number VGOB-93-0216-0327-02. [The petition was continued to April 2010.](#)
 27. A petition from CNX Gas Company, LLC for re-pooling of a coalbed unit AA-38, Garden and Maiden Districts, Buchanan and Tazewell County, Virginia. Docket Number VGOB-98-0324-0635-01. [The petition was approved with the exception of escrowing of the additional 5.725 acres. This acreage will continue to be escrowed for a term of 60 days at which time the conflicting parties agreed to re-convene the matter for consideration by the Board.](#)
 28. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal unit VH-530253, Kenady District, Dickenson County, Virginia. Docket Number VGOB-10-0316-2686. [The petition was approved by the Board.](#)
 29. A petition from Range Resources-Pine Mountain, Inc. for pooling of conventional horizontal unit VH-530254, Kenady District, Dickenson County, Virginia. Docket Number VGOB-10-0316-2687. [The petition was approved by the Board.](#)

30. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional well V-530217, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-10-0316-2688. [The petition was continued to April 2010.](#)
31. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed conventional well V-530235, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-10-0316-2689. [The petition was approved by the Board.](#)
32. The Division of Gas and Oil will give an update on the escrow account status to the Board. [David Asbury updated the Board on the escrow account.](#)
33. Additional business:
 - A. [Donnie Ratliff suggested that the Board consider increasing application fees for petitions filed with the Board. It was requested that the Board place this matter on the April docket. In addition, Donnie Ratliff requested staff of the Board provide statistics at the April hearing relative to the number of petitions by type heard by the Board.](#)
 - B. [Donnie Ratliff suggested that the each Company that had an escrow account with the Board be required to reconcile their individual escrow accounts annually and to provide this reconciliation to the Board. It was suggested that the 2009 reconciliation be submitted by September 2010 and in July thereafter. This item will be placed on the April docket.](#)
34. The Board will consider approval of the February 2010 minutes. [The minutes were approved.](#)

[The meeting was adjourned at 3:42 p.m.](#)

The deadline for filing of petitions to the Board for the April 2010 hearing is 5 p.m., Friday, March 19, 2010 with the March hearing scheduled for Tuesday, April 20, 2010 at the Conference Center, Russell County Office Building, and Highland Drive, Lebanon, Virginia.